

Congress of the United States

Washington, DC 20510

May 19, 2022

Attorney General Ken Paxton
Office of the Attorney General
PO Box 12548
Austin, TX 78711-2548

Dear Attorney General Paxton,

We write to you today on behalf of the parents across Texas who are unable to find formula to feed their children and urge you to do all you can to protect them from price gouging of formula by bad actors. By not being able to provide for the needs of their children, parents are facing enormous difficulties and stresses, through no fault of their own.

Earlier this year, Abbott Nutrition halted production of three baby formula brands from a manufacturing plant in Michigan due to contamination concerns after multiple infants developed bacterial illnesses after consuming those products. This interruption in production, along with existing supply chain issues caused by the pandemic, resulted in a nationwide formula shortage, leaving many families unsure how to get the supplies they need to take care of their children.

This is not a partisan issue as we can all agree that ensuring parents have access to baby formula to feed their babies is a top priority. This is a time to come together to address the very frightening reality that parents are currently facing, including protecting them from price gouging.

We are deeply troubled by reports of price gouging, both anecdotally from parents and reports in the press. This includes reports of up to \$80 in weekly costs, and \$50 for a four-day supply.¹ And the average cost of baby formula has increased by as much as 18 percent in the last year.² Bad actors taking advantage of parents' desperation must not be tolerated. Any instances of price gouging, illegal or predatory market behavior, or other actions that will impede parents from purchasing this much-needed formula must be fully investigated and stopped.

We write to urge you to use the full authority of your office and its consumer protection mandate to investigate any allegations of price gouging and ensure parents can afford to feed their children as we work to address the larger supply chain issues leading to this shortage. In addition, we encourage you to conduct outreach to ensure parents know where to report instances of price gouging and provide additional information and guidance on where to find the infant formula they desperately need.

Addressing this shortage will take a whole of government approach. Congress is working with the Biden administration to address this heartbreaking shortage, including cutting red tape to

¹ Newsweek, May 12, 2022; <https://www.newsweek.com/price-gouging-baby-formula-actively-monitored-ftc-1706255>

² CBS News, May 13, 2022; <https://www.cbsnews.com/newyork/news/baby-formula-shortage-latest/>

safely ramp up production, allowing the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits to purchase a wider variety of products, and increasing imports from other countries while domestic shortages are addressed.

Further, the Biden administration directed the Federal Trade Commission to investigate and monitor reports of price gouging and other predatory behavior. The Administration has also directed the Department of Justice to work with state Attorneys General to monitor these reports, and we urge you to join them to devote resources to investigating and stopping predatory behavior in the infant formula market.

We look forward to working with your office and our other state partners to ensure that parents in this heartbreaking situation are not being taken advantage of and can afford to purchase the formula they need for their children.

Sincerely,



Colin Z. Allred
Member of Congress



Joaquin Castro
Member of Congress



Al Green
Member of Congress



Eddie Bernice Johnson
Member of Congress



Marc A. Veasey
Member of Congress